COMPLAINT FOR COPYRIGHT INFRINGEMENT, INDUCEMENT, CONTRIBUTORY INFRINGEMENT,

AND VICARIOUS INFRINGEMENT UNDER THE COPYRIGHT ACT

Mitchell Silberberg &

Knupp LLP

CONFORMING COPY

NATURE OF ACTION

- 1. DISH has created and is aggressively marketing as part of its subscription satellite TV packages an unauthorized service that automatically and completely skips the advertising that is an essential element of prime-time broadcasting. Offered with its "Hopper" DVR, Dish's "PrimeTime Anytime" and "Auto Hop" services copy the entire prime-time schedules of all of the major national broadcast networks on a wholesale basis and enable their customers to watch all of that programming on an entirely commercial-free basis. Yet, it is the advertising that generates the revenue to support the enormously expensive investment in the billions of dollars per year that creates the programs that viewers want to watch. Indeed without the embedded advertising there would be no program stream at all. The U.S. broadcast networks cannot provide the news, sports and entertainment programming they have historically created and offered if the revenue-generating ads are systematically blotted out on an unauthorized basis by distributors like DISH.
- 2. In the face of this reality, DISH now markets its new service with the following basic message: "Hate commercials? Dish creates commercial-free TV so you can save an hour each night! Now you can automatically skip commercials in primetime TV- on ABC, CBS, FOX and NBC in HD." Ex. B. Under the copyright law, however, DISH is simply not free for its own business and competitive advantage to take a broadcast network's primetime advertiser-supported programming stream and deliver it with an automatic commercial-skipping service that effectively strips out every single ad across-the-board. If DISH seeks to deliver an on-demand service that provides playback of programs without ads, then it must seek authorization to do so, with mutually-acceptable shared economic arrangements, rather than unilaterally appropriating that economic advantage to itself.

Mitchell Silberberg & Knupp LLP

- 3. Plaintiffs bring this action for preliminary and permanent injunctive relief against Defendants' unlawful scheme to profit from an unprecedented and unauthorized new system for violating Plaintiffs' copyrights in prime-time, network television programming. Defendants market this infringing system in connection with their satellite broadcast services and digital video recorder ("DVR") called "the Hopper." As described more fully below, through the infringing functions of the Hopper, *all of* Plaintiffs' prime-time, network television programs (along with all of the prime-time shows aired on the other national broadcast networks) are copied, on a continuous eight-day rolling basis, after which the customer can play it back with *all of* the commercials automatically skipped in their entirety, and create a permanent library of that programming using the Hopper's massive storage capabilities.
 - 4. Plaintiffs are among the largest and most successful producers and distributors of television programming in the United States and the world. Plaintiffs are engaged in the business of developing, producing, and/or distributing television programming for exhibition and dissemination, and of licensing that programming to others. In addition to producing (and owning the copyrights in) numerous television programs, Plaintiff NBCUniversal Media, LLC ("NBCU") owns and operates the NBC Television Network ("NBC") and other television program services that deliver that programming to the American public.
- 5. The Copyright Act, 17 U.S.C. § 101, et seq., provides Plaintiffs with the exclusive rights to reproduce, adapt, distribute, and publicly perform and display their copyrighted television programming. Plaintiffs exercise these rights in an ever-expanding variety of ways, including commercially supported broadcast television, syndicated television, Internet-based streaming and download services, video-on-demand services, on-demand access via licensed cable and satellite providers, and on DVDs and Blu-Ray Discs. Due to the innovation of Plaintiffs

Mitchell Silberberg & Knupp LLP

and others, consumers have access to network television programming through more authorized avenues than ever before. Yet, through the unlawful functions of 3 5 8 9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

- the Hopper, Defendants divert revenues generated from Plaintiffs' copyrights and are infringing, and threaten to infringe, Plaintiffs' rights to exploit their copyrighted works in these legitimate markets. In doing so, Defendants deprive Plaintiffs of a fair return on their investments in creating and distributing some of the most valuable programming on television. Defendants' conduct is exactly what the copyright laws are intended to prevent. б.
- The Hopper allows Defendants and their customers to infringe Plaintiffs' copyrights through the following interrelated features:
 - The Hopper provides a "PrimeTime Anytime" feature, which copies all of the prime-time (i.e., Monday through Saturday, 8:00 p.m.- 11:00 p.m., and Sunday, 7 p.m. - 11 p.m.) TV programming aired on NBC and on the ABC, CBS and Fox television networks, every evening, on an 8-day rolling basis;
 - The Hopper provides what Defendants call the "Auto Hop" feature, which enables the customer to watch the copied Primetime Anytime programming with all commercial advertising automatically skipped - and as more fully detailed below, Defendants market and actively encourage the use of Auto Hop for that purpose.
 - The Hopper provides a memory capacity of two terabytes (i.e., 2,000) gigabytes), which, Defendants boast, is capable of storing 2,000 hours of recorded video, thus allowing the creation of large libraries of prime time television. As Defendants themselves acknowledge, "no other company offers" such capacity.
- 7. Thus, the Hopper effectively provides Defendants' customers with a premium commercial-free channel consisting, at any given point in time, of all of

Mitchell Silberberg & Knupp LLP

28

- the copyrighted programming that aired in prime time on all four national broadcast networks in the past eight days, including without limitation series currently airing on NBC, such as 30 Rock, Dateline NBC, Law & Order SVU, Parks and Recreation, Rock Center, Smash, The Office, and Whitney, along with the ability to create huge commercial-free libraries of those works.
- 8. Plaintiffs have invested billions of dollars in their copyrighted content. The Hopper's unprecedented methods of copying will deprive Plaintiffs of the means of payment for their works and erode the value of Plaintiffs' copyrighted programming. "Prime time" is the bloc of the television programming schedule that attracts the most viewers, and advertisers therefore are willing to pay the highest prices to have their commercials shown during this time. Television networks and local broadcast stations generally derive significant percentages of their advertising revenues from selling the right to advertise before, during or immediately after the prime-time television programming airs. It is self-evident that Advertisers will not pay, or will pay less, to have their advertisements placed within and around Plaintiffs' television programming if the advertisements will be invisible to viewers. Further, Plaintiffs recoup part of their substantial investments in creative programming by disseminating their prime-time programming, at a premium, in commercial-free formats, such as through on-demand television access, on-demand Internet access, and the sale of DVDs and Blu-Ray Discs.
- 9. The Hopper directly undercuts these established and legitimate markets for paid access to Plaintiffs' programming. Moreover, the Hopper interferes with Plaintiffs' efforts to make their prime-time programming available to consumers for free through advertising-supported services, such as Internet streaming websites. Views of such websites will decline if Defendants' subscribers have permanent access to commercial-free copies of all of Plaintiffs' prime-time shows. As a result, Defendants' unlawful conduct impairs the value of

Mitchell Silberberg & Knupp LLP 1

2

3

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

.

- 1 Plaintiffs' works and reduces the incentive for their creation and dissemination.
- 2 Indeed, Defendants' unlawful conduct attacks the fundamental economic
- 3 underpinnings of television programming creation and delivery, and therefore the
- 4 very means by which Plaintiffs' copyrighted works are paid for. In this way,
 - Defendants cause harm not only to Plaintiffs, but also to consumers.

THE PARTIES

- 10. Plaintiff NBC Studios LLC is a New York limited liability company with its principal place of business at 100 Universal City Plaza, Universal City, California. Plaintiff Universal Network Television LLC is a Delaware limited liability company with its principal place of business at 100 Universal City Plaza, Universal City, California. Plaintiff Open 4 Business Productions LLC is a Delaware limited liability company with its principal place of business at 100 Universal City Plaza, Universal City, California. Plaintiffs NBC Studios LLC, Universal Network Television LLC, and Open 4 Business Productions LLC are all indirect, wholly-owned subsidiaries of Plaintiff NBCUniversal Media, LLC, and are all engaged in, among other things, the production and distribution of television programs.
- 11. Plaintiff NBCUniversal Media, LLC ("NBCU") is a Delaware limited liability company with its principal place of business at 30 Rockefeller Plaza, New York, New York. NBCU, through its NBC News division, through the NBC Network it owns and operates, and through its other subsidiaries, is engaged in, among other things, the production and distribution of television programs.
- 12. Plaintiffs are informed and believe, and therefore allege, that Defendant DISH Network Corporation is organized under the laws of the State of Nevada and has its principal place of business in Englewood, Colorado. Plaintiffs are informed and believe, and therefore allege, that Defendant DISH Network LLC

Mitchell Silberberg & Knupp LLP

- is a wholly owned subsidiary of DISH Network Corporation, is organized under the laws of the State of Colorado, and has its principal place of business in Englewood, Colorado. Plaintiffs are informed and believe, and therefore allege, that each Defendant was the agent, joint venture and/or employee of the other Defendant, and in doing the things hereinafter alleged, each was acting within the course and scope of said agency, employment and joint venture with the advance knowledge, acquiescence, and subsequent ratification of the other Defendant.
- 13. Plaintiffs are informed and believe, and therefore allege, that DISH Network Corporation and DISH Network LLC operate the third largest pay television transmission system in the United States, servicing approximately 14 million customers as of September 30, 2011.

JURISDICTION AND VENUE

- 14. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338, and under the Copyright Act, 17 U.S.C. § 101 et seq.
- 15. This Court has personal jurisdiction over Defendants, and venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b). Defendants conduct extensive commercial activities in this State, including in this Judicial District. Further, a substantial part of the events or omissions giving rise to this lawsuit, as well as substantial injury to Plaintiffs, have occurred or will occur in this District as a result of Defendants' acts of copyright infringement and impending acts of copyright infringement, and unfair competition, as alleged in detail below. Venue is also proper in this Judicial District pursuant to 28 U.S.C. § 1400(a) in that Defendants may be found in this District in light of their extensive commercial activities in this District.

Mitchell Silberberg & Knupp LLP

l

FACTUAL BACKGROUND

Free Over-the-Air, Commercially Supported Broadcasting

- 16. NBC is one of the four major over-the-air television networks that transmit programming to the American public via hundreds of free, local, terrestrial broadcast stations that carry the networks' content. The networks' content is also increasingly transmitted to the public by subscription-based cable and satellite companies, including Defendant DISH Network, which retransmit the content carried on local broadcast stations. The networks, including Plaintiff NBCU, both create and license copyrighted content largely entertainment, news and sports programming on which the public has come to rely for information and entertainment. The four major networks and their affiliated local stations continue to account for a large percentage of all television viewing in the United States.
- 17. Maintaining a nationwide system of free, over-the-air local television stations, which provide news, information, and entertainment programming to virtually all Americans without any need to pay subscription fees, has been a crucial public-policy goal in the United States since the advent of television. The creation and acquisition of the copyrighted content that has come to define free, over-the-air television is made possible through commercial advertisements that are shown in each program. Whether viewers watch programming for free over-the-air or through pay services (such as Defendants' service) that retransmit broadcast signals, advertisements provide the primary means of payment for the copyrighted programming that the public views. As alleged more fully below, Defendants' infringing system blocks the delivery of advertising to viewers and thereby deprives copyright owners of the means by which they are paid for their works. Defendants' conduct diminishes both the value of the works and the incentive to create and distribute original content over the medium. By

Mitchell Silberberg & Knupp LLP

22.

undermining the engine by which content is produced, Defendants' system threatens to diminish the quantity and the quality of the programming Americans have come to expect and demand.

Plaintiffs' Dissemination of Prime-Time Television Content

- 18. Plaintiffs' most valuable programming airs during "prime time," which falls between the hours of eight p.m. and eleven p.m. Monday through Saturday, and seven p.m. to eleven p.m. on Sunday. Plaintiffs own the United States copyrights in a substantial number of prime-time programs, including successful series currently airing on NBC, such as those listed in Paragraph 7 above. Plaintiffs have registered or filed applications to register with the United States Copyright Office their copyrights in each of the representative works identified in the schedule attached hereto as Exhibit A and incorporated herein by this reference.
- 19. After a program airs on prime-time television, it is, in most cases, made available for viewing via other markets, including through on-demand access on cable or satellite services; internet-based services such as iTunes, Hulu, and Netflix; mobile phone services; pay-per-view and location-based (e.g., airline and hotel) services; and portable media (e.g., DVDs and Blu-Ray Discs). Further, the programs are often available very shortly after airing in prime time, with additional offerings following in stages.
- 20. Plaintiffs have invested (and continue to invest) substantial sums of money and effort each year to create and distribute television programs. The public benefits from Plaintiffs' creative activities, as intended by the U.S. Constitution and the Copyright Act. Plaintiffs recoup their substantial investments in creative programming in a number of ways, including the following:

Mitchell Silberberg & Knupp LLP

- NBC, and their local affiliates, derive substantial value by selling advertising time during their broadcast programming. In addition, broadcasting stations pay licensing fees to content providers like Plaintiffs by generating value from commercial advertisements inserted in or adjacent to each program. The viewership ratings generated by Nielsen Media Research ("Nielsen") include viewing of commercials during DVR and video-on-demand ("VOD") usage during the first 3 days from the airing of a program the so-called "C3" rating but Nielsen does not credit such viewership for any portion of a commercial that is skipped or fast-forwarded. Thus, if a commercial is automatically skipped in its entirety, it generates no ratings and produces no revenue to support the creation and dissemination of the programming in which it was aired.
- On-Demand Cable/Satellite Access. Plaintiffs also license their copyrighted works for viewing by the public through (i) video-on-demand services offered by cable and satellite providers, in which a viewer can choose to watch a particular program at any time of her choosing, generally on an advertising-supported model (in which the advertisements often cannot be skipped or fast forwarded), , and/or (ii) pay-per-view delivery, in which a viewer obtains one-time access to a particular program, in return for payment of a fee for that access.
- On-Demand Online Access. Plaintiffs earn revenue by providing
 access to their copyrighted works via their websites, the websites of
 their affiliates, and the websites and services of licensees. Some of
 these models involve showing advertisements to consumers before,
 after, or during viewing. Often, these advertisements cannot be

Mitchell

Silberberg &

Knupp LLP

skipped or fast forwarded. Other models involve subscription payments, payments for downloaded copies – which are often free of advertisements – or rental payments (for time-limited windows to view content).

- Content On Multichannel Services. Plaintiffs generate revenue by licensing their copyrighted works for "syndicated" exhibition through so-called "basic" non-broadcast television channels such as TBS, TNT and Lifetime. Syndication involves delivery of programming that already aired on broadcast stations at an earlier date. The principal means by which non-broadcast channels derive revenues to pay Plaintiffs for licensing of Plaintiffs' content are from the sale of commercial time to advertisers and from fees paid by distributors such as cable systems and satellite carriers (who in turn receive monthly fees paid by subscribers). Such carriers also pay to retransmit broadcast signals.
- Fixed Media. Plaintiffs generate substantial revenue from the sale or rental for home viewing of authorized copies of their copyrighted works in various formats, including DVD and Blu-Ray Discs.
 Plaintiffs offer these formats at various price points, with different offerings providing different levels of access to content, including via in-home players for television viewing or via Internet or computer access through connected licenses resident on the discs. These formats typically do not include advertisements, other than occasional "trailers" at the beginning of a disc.

Mitchell Silberberg & Knupp LLP

Defendants' Infringing Service

- 21. On or about March 15, 2012, Defendants made the Hopper DVR available to its customers. The Hopper's "PrimeTime Anytime" option automatically records all prime-time programming on NBC, CBS, ABC, and Fox, every day, to the customers' DVR, which as alleged above, stores up to 2000 hours of content. The prime-time programming, including that of Plaintiffs, is automatically stored on the DVR for eight days and can be stored permanently.
- 22. On or about May 10, 2012, Defendants began offering a companion service, called "Auto Hop," which automatically skips commercials during viewing.
- 23. The Hopper is thus specifically designed to function as a commercial-free, on-demand video delivery and librarying service. Defendants boast that the Hopper is unlike any other DVR offered by a television service provider. On their website, an image from which is attached hereto as Exhibit B and incorporated by reference, Defendants refer to the Hopper as an "on-demand" service that permits the creation of commercial-free video "libraries" of copyrighted prime time content commercial free. For example, Defendants market the Hopper as follows:

With the Hopper's exclusive feature, PrimeTime Anytime™, three hours of HD primetime programming are available to you On Demand for up to 8 days from initial air date. Plus you can save your favorite primetime content forever. You can also automatically skip commercials in primetime TV – ABC, CBS, FOX and NBC in HD.

24. During an interview while demonstrating the Hopper, a representative of Defendants stated: "I don't think you'd need Hulu or Hulu Plus after this." In other words, Defendants tell their customers that the Hopper can be used as a substitute for Internet-based on-demand services. Plaintiffs make their

Mitchell Silberberg & Knupp LLP

programming available on those services in advertising-supported, rental, purchase, and subscription models.

25. Defendants also tout (Ex. B.) The Hopper's ability to provide commercial-free, on-demand program libraries to their customers:

Hate commercials? DISH created commercial-free TV so you can save an hour each night! Now you can automatically skip commercials in primetime TV- on ABC, CBS, FOX and NBC in HD. Only on the Hopper. Only from DISH.

26. Vivek Khemka, vice president of DISH Product Management, described the infringing service as follows:

With the Auto Hop capability of the Hopper, watching your favorite shows commercial-free is easier than ever before. It's a revolutionary development that no other company offers and it's something that sets Hopper above the competition. ... With Hopper, you have access to all primetime HD programs broadcast by the four major networks. Now you can watch many of those shows commercial-free, with Auto Hop.

DISH Press Release, DISH Introduces Commercial-Free TV With "Auto Hop," May 10, 2012.

Irreparable Harm to Plaintiffs As a Result of Defendants' Infringement

27. Defendants' brazen copyright infringement seriously threatens Plaintiffs' ability to earn revenue from their copyrighted works through existing and potential methods of dissemination. Unless enjoined, Defendants' illegal conduct will irreparably injure Plaintiffs in numerous ways that are incapable of calculation or redress through monetary damages. Defendants' unlawful scheme will also ultimately harm the public, because it will divert revenue from the

Mitchell Silberberg & Knupp LLP

Mitchell
Silberberg & 26
Knupp LLP

creators and licensors of original programming to Defendants, thereby threatening to decrease the output of copyrighted works and the investment therein. The threatened harm to Plaintiffs includes the following:

• Plaintiffs are paid for advertisements that air during broadcasts based

- Plaintiffs are paid for advertisements that air during broadcasts based on viewership. If Defendants' customers do not view commercials during prime-time shows, Plaintiffs' most significant source of revenue will be diminished.
- Plaintiffs earn license fees for the television content they produce. If
 the advertising revenue stream from broadcasting that content is
 impaired, then the license fees that Plaintiffs receive for produced
 television content will be diminished.
- Plaintiffs license shows for syndicated runs on cable channels, which
 take place after the broadcast runs of the shows conclude. If viewers
 use Defendants' service to collect commercial-free libraries of primetime network shows for later viewing, the market for watching shows
 in syndication will be reduced.
- Plaintiffs earn revenue from commercials shown during programs
 made-available "on demand" for free to subscribers of cable and
 satellite subscription services, both online and on television. Often
 these commercials cannot be fast forwarded. Defendants' infringing
 service will deter viewers from using such offerings.
- Consumers increasingly view programs they missed when they first
 aired on Internet websites operated by Plaintiffs and Plaintiffs'
 licensees, such as Hulu. These services are often advertising
 supported.. Defendants' customers will have little incentive to seek
 out online access to programming given that Defendants are providing
 it to them on demand and commercial free.

Plaintiffs make commercial-free, permanent copies of works available to consumers, both through Internet-based downloading services, such iTunes and Amazon, and through the sale of fixed media formats. Defendants' provision of commercial-free, prime-time television libraries to its customers will undercut the markets for Plaintiffs legitimate offerings.

7

8

CLAIMS FOR RELIEF

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

COUNT I

(COPYRIGHT INFRINGEMENT IN VIOLATION OF THE COPYRIGHT ACT, 17 U.S.C. §§ 101, ET SEQ.)

- 28. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 27, inclusive, as though fully set forth herein.
- 29. Plaintiffs are the copyright owners of the works listed in Exhibit A, as well as many other motion pictures and television programs telecast in the United States, each of which contain a large number of creative elements wholly original to Plaintiffs and which are copyrightable subject matter under the laws of the United States.
- 30. Plaintiffs have obtained (or have applied for) copyright registration certificates for each work listed in Exhibit A. In doing so, Plaintiffs have complied in all respects with 17 U.S.C. § 101, et seq. and all other laws governing federal copyrights.
- 31. Each of the works listed in Exhibit A, has, with authorization of Plaintiffs, exploited in strict conformity with the provisions of 17 U.S.C. §§ 401 and 409, et seq., and all other laws governing federal copyright.
- 32. DISH creates Primetime Anytime's "on demand library of approximately 100 hours primetime of TV shows" by recording, without

Mitchell Silberberg & Knupp LLP

28

authorization, all programming aired by the four national broadcast networks during primetime hours every night. On information and belief, the programming recorded by DISH through the Primetime Anytime service consists exclusively of copyrighted network programming, including Plaintiffs' copyrighted content. On further information and belief, Defendants' copying in connection with PrimeTime Anytime occurs on a partitioned section of The Hopper's hard drive that is fully under Defendants' ongoing remote control. By creating and distributing unauthorized copies of Plaintiffs' works (including the works listed on Exhibit A) through PrimeTime Anytime in the manner described above, Defendants are engaging in and imminently will engage in a vast number of direct copyright infringements, in violation of sections 106(1), 106(3) and 501 of the Copyright Act, 17 U.S.C. §§ 106(1), 106(3) and 501.

- 33. The foregoing acts of direct infringement by Defendants are unauthorized and unlicensed by Plaintiffs and are not otherwise permissible under the Copyright Act. Plaintiffs did not consent to Defendants' copying.
- 34. These acts of infringement have been willful, intentional, and purposeful, in disregard of Plaintiff's rights under the Copyright Act. Defendants know that their acts are infringing and intentionally or recklessly disregard the law by their conduct.
- 35. These acts have caused and will continue to cause substantial irreparable harm that cannot fully be compensated or measured in money to Plaintiffs unless further infringement is enjoined and restrained by this Court. Plaintiffs have no adequate remedy at law because damages would be difficult to ascertain and Plaintiffs should not be expected to suffer the blatant infringement. The balance of equities favors Plaintiffs because Defendants could easily cease their operation of the infringing services whereas Plaintiffs' rights will be permanently devalued if the infringing conduct continues. Finally, the public

Mitchell Silberberg & Knupp LLP interest favors injunctive relief because the goals of the Copyright Act, including increased creation and output of creative works, will be undermined by the persisting infringements committed by DISH Network Corporation and DISH Network LLC. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to preliminary and permanent injunctions prohibiting further infringements of Plaintiffs' copyrights.

7

o

8

9

10

11

12 13

14

15 16

17

18

19

20

21

22

23 24

25

26

27

28

Mitchell Silberberg &

Silberberg & Knupp LLP <u>COUNT II</u>

(INDUCEMENT OF COPYRIGHT INFRINGEMENT IN VIOLATION OF THE COPYRIGHT ACT, 17 U.S.C. §§ 101, ET SEQ.)

- 36. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 31, as though fully set forth herein.
- 37. Users of The Hopper's PrimeTime Anytime feature who record all of Plaintiffs' prime-time shows and use the The Hopper's Auto Hop feature to automatically skip commercials otherwise contained in those recordings infringe Plaintiffs' exclusive reproduction rights under section 106 of the Copyright Act, 17 U.S.C. § 106(1).
- 38. Users of The Hopper's PrimeTime Anytime feature who record all of Plaintiffs' prime-time shows and who store said recordings permanently or for long periods of time for commercial-free multiple viewings at times of their choosing infringe Plaintiffs' exclusive reproduction rights under section 106 of the Copyright Act, 17 U.S.C. § 106(1).
- 39. Plaintiffs have not authorized such persons to engage in such acts or consented to such acts.
- 40. Defendants have induced the infringing acts of their customers described above, in violation of sections 106 and 501 of the Copyright Act, 17 U.S.C. §§ 106 and 501. Defendants provide The Hopper and its PrimeTime

- 41. Defendants' conduct demonstrates Defendants' purposeful promotion of infringement. Among other things:
 - Defendants have marketed The Hopper expressly for copying and creating libraries of Plaintiffs' works and then viewing them commercial free.
 - Defendants' marketing efforts have included targeting known markets for infringement, including consumers who wish to obtain access to commercial-free programming without payment and consumers who wish to avoid paying market prices for permanent copies of commercial-free programs.
 - Defendants have expressly marketed their services as substitutes for licensed methods of accessing Plaintiffs' works, including Hulu.com and other video-on-demand services.
 - Defendants have refused to use readily available technological means
 to limit or prevent infringement by their customers. In fact,
 Defendants expressly designed their services to facilitate infringement
 and make it as easy as practicable to accomplish infringing acts.
- 42. Defendants' inducement of their customers' infringement is, and at all times has been, willful, intentional, and purposeful, in disregard of Plaintiff's rights under the Copyright Act. Defendants know that their acts are inducing infringing conduct. Defendants intentionally or recklessly disregard the law by their conduct. Plaintiffs have not authorized or consented to Defendants' conduct.
- 43. Defendants' acts have caused and will continue to cause substantial irreparable harm that cannot fully be compensated or measured in money to Plaintiffs unless further infringement by Defendants is enjoined and restrained by

Mitchell Silberberg & Knupp LLP

28

27

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

5 8

this Court. Plaintiffs have no adequate remedy at law because damages would be difficult to ascertain and Plaintiffs should not be expected to suffer Defendants' blatant infringement. The balance of equities favor Plaintiffs because Defendants could easily cease their operation of the infringing services whereas Plaintiffs' rights will be permanently devalued if the infringing conduct continues. Finally, the public interest favors injunctive relief because the goals of the Copyright Act, including increased creation and output of creative works, will be undermined by the persisting infringements committed by Defendants' customers. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to preliminary and permanent injunctions prohibiting further infringements of Plaintiffs' copyrights.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

10

COUNT III

(CONTRIBUTORY COPYRIGHT INFRINGEMENT IN VIOLATION OF THE COPYRIGHT ACT, 17 U.S.C. §§ 101, ET SEQ.)

- 44. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 31, inclusive, and 37 through 39, as though fully set forth herein.
- By participating in, facilitating, assisting, enabling, materially 45. contributing to, and encouraging the infringing reproductions of Plaintiffs' works described above in paragraphs 37 through 39, with full knowledge of their illegal consequences, and with the ability to take simple measures to prevent or limit infringement, Defendants are contributing to infringements of Plaintiffs' copyrighted works, in violation of sections 106 and 501 of the Copyright Act, 17 U.S.C. §§ 106 and 501. Defendants make the infringement described above in paragraph s 37-39 possible and provide the site and facilities for the infringements.
- Defendants know or have reason to know of the actual or imminent infringement of Plaintiff's copyrights. Indeed, on information and belief,

Mitchell Silberherg & Knupp LLP

28

Defendants monitor their customers' infringing activity and technologically and personally assist their customers throughout their illegal acts. DISH Networks' service agreement with its customers states that it collects information regarding "the programming service options [customers] have chosen." The agreement also states: "When you use our interactive or other transactional television services, the satellite system automatically collects certain information on your use of these services."

- 47. Defendants' contributions to their customers' infringement have been willful, intentional, and purposeful, in disregard of Plaintiff's rights under the Copyright Act. Defendants know that their acts are contributing to infringing conduct and Defendants intentionally or recklessly disregard the law by their conduct. Plaintiffs have not authorized or consented to Defendants' conduct.
- 48. Defendants' acts have caused and will continue to cause substantial irreparable harm that cannot fully be compensated or measured in money to Plaintiffs unless further infringement by Defendants is enjoined and restrained by this Court. Plaintiffs have no adequate remedy at law because damages would be difficult to ascertain and Plaintiffs should not be expected to suffer Defendants' blatant infringement. The balance of equities favors Plaintiffs because Defendants could easily cease their operation of the infringing services whereas Plaintiffs' rights will be permanently devalued if the infringing conduct continues. Finally, the public interest favors injunctive relief because the goals of the Copyright Act, including increased creation and output of creative works, will be undermined by the persisting infringements committed by Defendants' customers. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to preliminary and permanent injunctions prohibiting further infringements of Plaintiffs' copyrights.

Mitchell Silberberg & Knupp LLP

12.

COUNT IV

(VICARIOUS COPYRIGHT INFRINGEMENT IN VIOLATION OF THE COPYRIGHT ACT, 17 U.S.C. §§ 101, ET SEQ.)

- 49. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 31, inclusive, and 37 through 39, as though fully set forth herein.
- 50. Defendants have the right and ability to supervise and control the infringing conduct of their customers described above in paragraphs 37 through 39. DISH Networks' contract with their customers states:

We may add, delete, rearrange and/or change any and all programming, programming packages and other Services that we offer, as well as the prices and fees related to such programming, programming packages and Services, at any time, including without limitation, during any term commitment period to which you have agreed.

- 51. Defendants' regular involvement in their customers' copying is an indispensable link in such infringing conduct. Defendants control their customers' ability to record prime-time content using the Primetime Anytime feature. In addition, Defendants go to great lengths and efforts to enable their customers to skip entire commercial segments. On information and belief, in order to achieve this goal, Defendants must study the shows that are transmitted and "push" certain data to the Hopper devices resident in the homes of customers. Absent Defendants' conduct, customers simply could not automatically skip commercials.
- 52. On information and belief, all of the infringing activity is actively monitored by Defendants. DISH Networks' service agreement with its customers states that it collects information regarding "the programming service options [customers] have chosen." The agreement also states: "When you use our

Mitchell
Silberberg &
Knupp LLP

į

- 53. Defendants also receive a direct financial benefit from the infringement described above in paragraph 37 through 39 above. Plaintiffs are informed and believe, and therefore allege, that Defendants have attracted, obtained and retained customers as a result of its infringing offerings. The PrimeTime Anytime and Auto Hop features constitute draws to Defendants' services. Defendants actively advertise the infringing capabilities of The Hopper. Defendants also receive subscription payments from customers who possess The Hopper.
- 54. Defendants' refusal to stop or limit its customers' infringements has been willful, intentional, and purposeful, in disregard of Plaintiff's rights under the Copyright Act. Plaintiffs have not authorized or consented to Defendants' conduct.
- 55. Defendants' acts have caused and will continue to cause substantial irreparable harm that cannot fully be compensated or measured in money to Plaintiffs unless further infringement by Defendants is enjoined and restrained by this Court. Plaintiffs have no adequate remedy at law because damages would be difficult to ascertain and Plaintiffs should not be expected to suffer Defendants' blatant infringement. The balance of equities favor Plaintiffs because Defendants could easily cease their operation of the infringing services whereas Plaintiffs' rights will be permanently devalued if the infringement continues. Finally, the public interest favors injunctive relief because the goals of the Copyright Act, including increased creation and output of creative works, will be undermined by the persisting infringements committed by Defendants' customers. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to preliminary and permanent injunctions prohibiting further infringements of Plaintiffs' copyrights.

Mitchell Silberberg & Knupp LLP

2728

2

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

26

22.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that this Court enter judgment in their favor and against Defendants, and each of them, as follows:

- (a) On Counts I through IV, preliminarily and permanently enjoin, pursuant to 17 U.S.C. § 502, Defendants, their respective officers, agents, servants, employees, and those persons in active concert or participation with Defendants, or any of them, from inducing infringement or directly, contributorily, and/or vicariously infringing by any means, including but not limited to specifically in connection with The Hopper's PrimeTime Anytime and Auto Hop features, Plaintiffs' exclusive rights under the Copyright Act, including, but not limited to any of Plaintiffs' rights in any of the works listed on Exhibit A, and from licensing any other person to do the same;
- (b) award Plaintiffs statutory damages in accordance with 17 U.S.C. § 504 and other applicable law;
- (c) award Plaintiffs costs and reasonable attorneys' fees in accordance with 17 U.S.C. § 505, and other applicable law; and
- (d) award Plaintiffs such further and additional relief as the Court may deem just and proper.

DATED: May 24, 2012

ROBERT H. ROTSTEIN PATRICIA H. BENSON JEAN PIERRE NOGUES

MITCHELL SILBERBERG & KNUPP LLP

ROBERT H. ROTSTEIN

Attorneys for Plaintiffs,

NBC Studios LLC, Universal Network
Television LLC Open 4 Business Productions
LLC and NBCUniversal Media, LLC

LLC, and NBCUniversal Media, LLC,

Mitchell Silberberg & Knupp LLP

27

1

2

3

4

5

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

EXHIBIT A – SCHEDULE OF WORKS

- 1. The Return of Avery Jessup, 30 Rock (application for copyright registration filed May 18, 2012) NBC Studios LLC.
- 2. What Will Happen to the Gang Next Year?, 30 Rock (application for copyright registration filed May 18, 2012) NBC Studios LLC.
- 3. BecWarc, Grimm (copyright registration no. PA 1-765-480, Nov. 23, 2011) Open 4 Business Productions LLC.
- 4. Three Coins in a Fuchsbau, Grimm (copyright registration no. PA 1-778-887, Mar. 8, 2012) Open 4 Business Productions LLC.
- 5. Plumed Serpent, Grimm (copyright registration no. PA 1-780-055, Mar. 16, 2011) Open 4 Business Productions LLC,
- 6. Island of Dreams, Grimm (application for copyright registration filed April 4, 2012) Open 4 Business Productions LLC.
- 7. Theatre Tricks, Law & Order SVU (copyright registration no. PA 1-774-128, Jan. 26, 2012) Universal Network Television LLC.
- 8. Trivia, The Office (copyright registration no. PA 1-774-146, Jan. 26, 2012) Universal Network Television LLC.
- 9. Jury Duty, The Office (copyright registration no. PA 1-776-312, Feb. 13, 2012) Universal Network Television LLC.
- 10. Special Project, The Office (copyright registration no. PA 1-775-976, Feb. 16, 2012) Universal Network Television LLC.
- 11. Tallahassee, The Office (copyright registration no. PA 1-77-493, Feb. 29, 2012) Universal Network Television LLC.
- 12. Pawnee Rangers, Parks and Recreation (copyright registration no. PA 1-756-487, Oct. 20, 2011) Open 4 Business Productions LLC.
- 13. The Comeback Kid, Parks and Recreation (copyright registration no. PA 1-774-147, Jan. 26, 2012) Open 4 Business Productions LLC.
- 14. Win, Lose, or Draw, Parks and Recreation (application for copyright registration filed May 18, 2012) Open 4 Business Productions LLC.
- 15. Bombshell, Smash (application for copyright registration filed May 18, 2012) NBC Studios LLC.

Exhibit A

- 16. Private Parts, Whitney (copyright registration no. PA 1-773-957, Jan. 13, 2012) NBC Studios LLC.
- 17. 48 Hours, Whitney (copyright registration no. PA 1-777-488, Feb. 29, 2012) NBC Studios LLC.
- 18. Mad Women, Whitney (copyright registration no. PA 1-777-464, Feb. 29, 2012) NBC Studios LLC.
- 19. Dateline NBC 5/18/12 (application for copyright registration filed May 24, 2012) NBCUniversal Media LLC



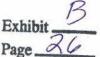




Exhibit $\frac{B}{27}$







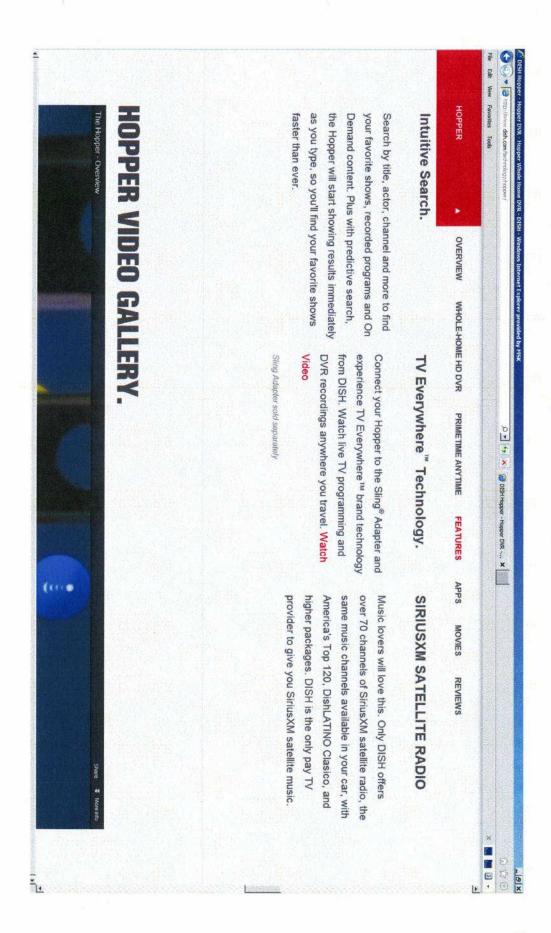




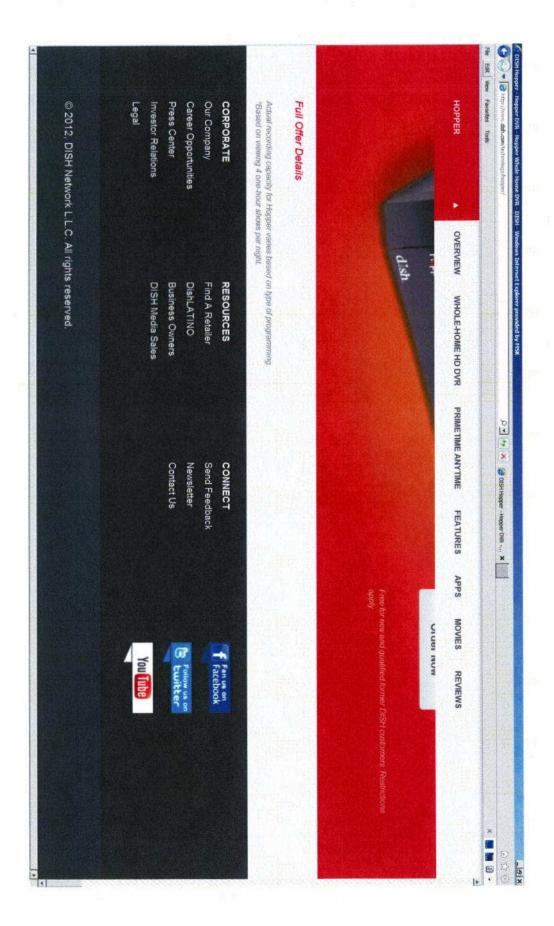




Exhibit B Page 3/









UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Ronald S. W. Lew and the assigned discovery Magistrate Judge is Frederick F. Mumm.

The case number on all documents filed with the Court should read as follows:

CV12- 4536 RSWL (FFMx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

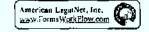
Subsequent documents must be filed at the following location:

Failure to file at the proper location will result in your documents being returned to you.

ROBERFORM PATRICIA H. BENSON (SBN 6. 55) phb@msk.com JEAN PIERRE NOGUES (SBN 84445) jpn@msk.com MITCHELL, SILBERBERG & KNUPP LLP 11377 West Olympic Blvd. Los Angeles, CA 90064-1683 (310) 312-2000 Filed 05/24/12 Page 37 of 39 Page ID #:45

``	
	DISTRICT COURT CT OF CALIFORNIA
NBC STUDIOS, LLC; UNIVERSAL NETWORK TELEVISION, LLC; OPEN 4 BUSINESS PRODUCTIONS LLC and NBCUNIVERSAL MEDIA, LLC PLAINTIPF(S) v.	CASE NUMBER CN 12- 04536pswl/ffyu
DISH NETWORK CORPORATION; DISH NETWORK L.L.C	SUMMONS
DEFENDANT(S).	
TO: DEFENDANT(S): A lawsuit has been filed against you. Within 21 days after service of this summon must serve on the plaintiff an answer to the attacounterclaim cross-claim or a motion under Rule or motion must be served on the plaintiff's attorney SILBERBERG & KNUPP LLP, 11377 West Olympic I do so, judgment by default will be entered against you file your answer or motion with the court.	12 of the Federal Rules of Civil Procedure. The answer v, Robert H. Rotstein, whose address is MITCHELL Boulevard, Los Angeles, California 90064. If you fail to
MAY 2 4 2012 Dated:	Clerk, U.S. District Court By: Deput Clerk
	(Sad of the Count)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].



Case 2:12-cv- 04536sDMcsFDNrD	CIVIL COV	EI <mark>VTIRALO BASAALO</mark> T ER SHEET	PageA38FOFF89IAP	'age ID #:46	
I (a) PLAINTIFFS (Check box if you are representing yourself) NBC STUDIOS, LLC; UNIVERSAL NETWORK TELEVISION, LLC; OPEN 4 BUSINESS PRODUC LLC and NBCUNIVERSAL MEDIA, LLC	TIONS	DEFENDANTS DISH NETWORK CO	ORPORATION; DISH	NETWORK L.L.C.	
(310) 312-2000 Attorneys (Firm Name, Address and Telephone Number, If you are yourself, provide same.) ROBERT H. ROTSTEIN (SBN 72452) rxr@msk.com MITCHELL, SILBERBERG & KNUPP LLP 11377 West Olympic Blvd. Los Angeles, CA 90064-1683 (310) 312-2000		Atlarneys (It Known)			
II. BASIS OF JURISDICTION (Place an X in one box only.)		SHIP OF PRINCIPAL PA X in one box for plaintiff and	RTIES - For Diversity Case: Lone for defendant.)	s Only	
☐ 1 U.S. Government Plaintiff	Citizen of This	State P	IF DEF 1 Incorporated or 1 of Business in th		
2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)	Citizen of Ano	ther State	2 2 Incorporated and of Business in A		
	Citizen or Subj	ect of a Foreign Country	3 3 Foreign Nation	6 □6	
IV. ORIGIN (Place an X in one hox only.) Original 2 Removed from 3 Remanded from 4 Reinstated or 5 Transferred from another district (specify): 6 Multi- 7 Appeal to District Proceeding State Court Appellate Court Rempend District Judge from Litigation Magistrate Judge District Distri					
V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check 'Yes' only if demanded in complaint.) CLASS ACTION under F.R.C.P. 23: Yes No MONEY DEMANDED IN COMPLAINT: S VI. CAUSE OF ACTION (Cite the U. S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)					
17 U.S.C. § 101, et seq. Copyright Infringement; Inducen Copyright Infringement	ent of Copyr	ight Infringement; Con	tributory Copyright Infi	ringement; Vicarious	
VII. NATURE OF SUIT (Place an X in one box only.)		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1		* 25.00 1 21150707555 1115	
OTHER STATUTES CONTRACT 400 State Reapportionment 110 Insurance	TORTS RSONAL INJUR		PRISONER PETITIONS	LABOR 710 Fair Lahor Standards	
410 Antitrust 20 Manne 31	0 Airplane	PROPERTY 370 Other Fraud	510 Motions to Vacate Sentence Haheas		
= Not the second = 1	5 Airplane Production	371 Truth in Lendin		☐ 720 Lubor/Mgmt. Relations	
450 Commerce/ICC	0 Assault, Libel	=	530 General	730 Labor/Mgmt.	
460 Deportation Overpayment &	Slander	Property Dama		Reporting &	
470 Racketeer Influenced Enforcement of 33	60 Fed, Employer		- 1-	Diselasure Act	
and Corrupt Judgment	Liability 10 Marine	Product Liabiti BANKRUPTCY	ity Other 550 Civil Rights	740 Railway Labor Act	
Organizations 13 1 Medical Cries 13 -	5 Marine Produc		555 Prison Condition	Litigation	
490 Cuble/Sut TV Student Loan (Exel.	Liability	158	FORFEITURE/	791 Empl. Ret. Inc.	
	i0 Motor Vehicle		PENALTY	Security Aet	
1 830 Securities/Communities/	5 Motor Vehicle		610 Agriculture	PROPERTY RIGHTS 820 Copyrights	
Exchange Overpayment of Veteran's Benefits 36	Prodoct Liahil O Other Personal	and a large transfer of the contract of the co	ं 🔲 620 Other Food &	820 Copyrights 830 Patent	
375 Customer Changenge 12	Injury	441 Voting 442 Employment	Drug	840 Trademark	
030,3410	2 Personal Injury		625 Drug Related Seizure of	SOCIAL SECURITY	
195 Contract Product	Med Malpract	ice mmodations	Property 21 USC	☐ 61 HIA(1395ff)	
892 Economic Stabilization Liability	5 Personal Injury		188	362 Black Lung (923)	
Act 196 Franchise	Product Liabil	- I Had American Man		■ 863 DIWC/DIWW	
393 Fundumental Marters	68 Asbestos Perso Injury Product	2/3/(01/1003	640 R.R.& Truck	405(g))	
■ 894 Energy Allocation Act ■ 210 Land Condemnation ■ 895 Freedom of Info. Act ■ 220 Foreclasure	Liability	Employment 446 American with	☐ 650 Airline Regs ☐ 660 Occupational	864 SSID Title XVI	
■ 895 Freedom of Info. Act ■ 220 Foreclasure ■ 230 Ront Lease & Ejectment	MMIGRATION		Safety /Health	865 RSI (405(g)) FEDERAL TAX SUITS	
nation Under Equal 240 Torts to Land	2 Naturalization	Other	690 Other	870 Taxes (U.S. Plaintiff	
Access to Justice 245 Torr Product Liability	Application	440 Other Civil		or Defendant)	
950 Constitutionality of State 290 All Other Real Property	3 Haheas Corpu:	_		871 IRS-Third Party 26	
Statutes	Alien Detaine i5 Other Immigra			USC 7609	
40	Aetions	_			
	17.	MEZE			
FOR OFFICE USE ONLY: Case Number:	William Service				

AFTER COMPLETING THE FRONT SIDE OF FORM CY-71, COMPLETE THE INFORMATION REQUESTED BELOW.

Case 2:12-cv/04936SDMCSFFFINTRDCCCOMMT,1CENTIBALO DASARICT POGGASIFOTASO A Page ID #:47

VHI(a). IDENTICAL CASES: Has If yes, list case number(s):	this action been pro-	eviously filed in this court and	d dismissed, remanded ur closed? 🔲 No 🗀 Yes		
VIII(b). RELATED CASES: Flave any eases been previously filed in this court that are related to the present case? No Yes If yes, list case number(s):					
□ c.	Arise from the sam Call for determinat: For other reasons w	ie or closely related transaction of the same or substantial would entail substantial duplic	ly related or similar questions of law and fact; ur ation of labor if heard by different judges; or , <u>and</u> one of the factors identified above in a, b or c also is present.		
IX. VENUE: (When completing the	following informat	ion, use an additional sheet if	necessary.)		
			if other than California; or Foreign Country, in which EACH named plaintiff resides, this box is checked, go to item (b).		
County in this District:*			Califarnia County ausside of this District. State, if other than Culifornia; or Foreign Country		
Los Angeles					
			f other than California; or Fureign Country, in which EACH named defendant resides. If this box is checked, go to item (c).		
County in this District:*	<u> </u>		California County outside of this District; State, if other than California; or Foreign Country		
Los Angeles	Los Angeles				
(e) List the County in this District; Nute: In land condemnation c			f uther than California; ur Foreign Country, in which EACH claim arose.		
County in this District.*			California County outside of this District, State, if other than California; or Foreign Cmuntry		
Los Angeles		•			
* Lus Augeles, Orange, San Bernar Nate: In land condemonation cases, us	dino, Riverside, V e the location of the	entura, Sonia Barbara, or S e tracipf land involved	San Luis Obispo Counties		
X. SIGNATURE OF ATTORNEY (C		OBERT H. ROTSTEIN	Date May 24, 2012		
or other papers as required by lav	CV-71 (JS-44) Civ v. This form, approv	rit Cover Sheet and the informed by the Judicial Conference	nation cuntained herein neither replace nor supplement the filing and service of pleadings of the United States in September 1974, is required pursuant to Local Rule 3 -1 is not filed ing the civil ducket sheet. (For mure detailed instructions, see separate instructions sheet.)		
Key to Statistical codes relating to Sn	cial Security Cases	:			
Nature of Suit Cude	Abbreviation	Substantive Statement of	Cause of Action		
86)	HIA	All elaims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))			
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Heulth and Safety Act of 1969. (30 U.S.C. 923)			
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed für child's insurance benefits based on disability. (42 U.S.C. 405(g))			
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended, (42 U.S.C. 405(g))			
864	SSID -	All claims for supplemental security income payments hased upon disability filed under Title 16 of the Social Security Act, as amended.			
865	RSI	All claims for retirement (old age) and survivors henefits under Title 2 of the Social Security Act, as amended, (42 U.S.C. (g))			
CV-71 (05/08)		CIVIL (OVER SHEET Page 2 of 2		

American Lega:Net, Inc. www.Forms/Vorkflow.com